



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 12, 2019
FROM: PUBLIC UTILITIES DEPARTMENT WARDS: ALL
**SUBJECT: AGREEMENT FOR THE SALE OF EMERGENCY POTABLE WATER BETWEEN
THE CITIES OF NORCO AND RIVERSIDE FOR A FIVE-YEAR TERM**

ISSUES:

Approve the Agreement for the Sale of Emergency Potable Water between the City of Riverside and the City of Norco for a five-year term with an additional and automatic five-year renewal unless either party terminates the Agreement in writing.

RECOMMENDATIONS:

That the City Council:

1. Approve the Agreement for the Sale of Emergency Potable Water between the City of Riverside and the City of Norco for a five-year term with an additional and automatic five-year renewal unless either party terminates the Agreement in writing; and
2. Authorize the City Manager, or his designee, to execute the Agreement.

BOARD RECOMMENDATION:

On December 10, 2018, the Board of Public Utilities, with eight members present, unanimously voted to recommend that the City Council approve the Agreement for the Sale of Emergency Potable Water between the City of Riverside and the City of Norco for a five-year term with an additional and automatic five-year renewal unless either party terminates the Agreement in writing; and authorize the City Manager or his designee to execute the Agreement.

Following discussion, the Board of Public Utilities added a third recommendation which directed staff to return with a request to terminate the Agreement with a 30-day notice, in the event that a potable water sales agreement is executed with the City of Norco.

BACKGROUND:

On November 14, 2016, the City of Riverside Board of Public Utilities approved the construction of the Arlington Avenue 16-inch Water Main Extension Project to construct approximately 6,900 LF of 16-inch water main to extend service to the Riverside city limits immediately east of the city

limits of Norco. The project would allow RPU to serve customers within RPU's service area who are currently being served by the City of Norco, and provide for an interconnection with the City of Norco for emergency potable water as well as potential future water sales. RPU completed construction of the pipeline in September 2017 and has been working with the City of Norco to develop an agreement for the sale of emergency potable water. Both agencies wish to construct an interconnection, or intertie, between the potable water systems operated by RPU and Norco. The interconnection will be located southwest of the intersection of Arlington Avenue and Crestview Drive. The interconnection will have the ability to convey water in either direction to either city.

DISCUSSION:

Under the Terms of the Agreement for the Sale of Emergency Potable Water (Agreement), the amount of emergency water delivered from one agency to the other will not exceed 200 acre-feet per year unless the agencies agree otherwise. This agreement will help improve the reliability to both agencies in the event of a loss of water due to a pipeline shutdown, mechanical or electrical failure of water system equipment, loss of an existing water supply, or to overcome short-term water quality impediments.

Emergency water shall not be provided for longer than 60 calendar days without written approval of the selling party. Under the Agreement, both agencies acknowledge that the selling party shall have the sole discretion to determine what amount of water, if any, to sell to the purchasing party in case of emergency and can exercise that discretion for any reason.

In an effort to minimize direct payments, water received through the interconnection shall be reimbursed by an equal quantity of water returned from the purchasing agency back to the selling agency. These reimbursements shall be completed within 180 days after the emergency has concluded. Any failure to reimburse the other party within the required 180-day period may be assessed at the Metropolitan Water District's current Tier 1 rate for treated potable water for the quantity delivered.

RPU will design and construct the interconnection and the cost will be shared between both agencies. RPU and Norco shall own and maintain their respective portions of the interconnection. The intertie piping and appurtenances are currently being designed and will be brought back for Board authorization for construction at a future date.

This agreement will also provide the opportunity for a future long-term water purchase agreement between the two agencies. Upon execution of such an agreement with the City of Norco, staff will return to the Board of Public Utilities and City Council with a request to terminate the Agreement for the Sale of Emergency Potable Water with a 30-day notice.

FISCAL IMPACT:

There is no fiscal impact associated with this item. The interconnection is currently in design by RPU staff, and will be brought back for Board of Public Utilities authorization once the project is ready for construction.

Prepared by: Todd M. Corbin, Utilities General Manager
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by: Al Zelinka, FAICP, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Agreement for the Sale of Emergency Potable Water – Cities of Norco and Riverside
2. Minutes from December 10, 2018 Board of Public Utilities Meeting
3. Presentation